

## CLASS OF SERVICE

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# WESTERN UNION

R. B. WHITE  
PRESIDENT

NEWCOMB CARLTON  
CHAIRMAN OF THE BOARD

J. C. WILLEVER  
FIRST VICE-PRESIDENT

## SYMBOLS

DL = Day Letter
SER = Serial
NM = Night Message
NL = Night Letter
CDE = Code Cable
LC = Deferred Cable
NLT = Cable Night Letter
Ship Radiogram

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## Received at

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San Francisco Calif 1225pm May 8 1936

Lawrence Clayton,  
Federal Reserve Board.

MINUTES IN TRANSIT	
FULL-RATE	DAY LETTER

Have just talked with Stewart in reference to matter discussed with me in your office recently. He tells me Moyle and Wilkinson are handling matter for both our bank and his banks. I take it this is as you want it. If not let me know. Warmest regards.

A.P.

413pm.

May 14, 1936

Mr. A. P. Giannini  
Bank of America  
1 Powell Street  
San Francisco, California

Dear Mr. Giannini:

After reading the copy of your radio address delivered at Washington on your recent visit, I think you are deserving of a lot of praise. Knowing how keenly you feel that the administration has in fact saved the banking structure from disaster, your remarks while appreciative and complimentary impress me as being impartial and temperate. It is certainly to be regretted that more of the bankers who are occupying high places do not express themselves as temperately as you do. But alas, there are too many Nicholoses, Adamases and Zimmermans in the country who scream instead of speak.

Your wire of last Friday is much appreciated, but I am a little bit concerned that you might have thought I was asking favors for my friends here. I had simply told these people that if I had occasion I would inquire purely as a matter of information whether Mr. Stewart had spoken to you. You will recall that you had not heard of the suggestion but thought perhaps Mr. Stewart had spoken to your son Mario about it. There is evidently still some misunderstanding, as your wire indicates that both your bank and the Joint Stock Land Bank were joining in the case, whereas I am advised that the Bank of America is not involved in this case. Perhaps you were referring to the mortgage company which I understand is one of the petitioners. I appreciate very much the very kind consideration which prompted your wire, but I would not presume for a moment to make any request in a matter of the kind under discussion.

Mr. A. P. Giannini - 2

Recently I have been discussing the features of the pending tax bill, including the effect upon bank holding companies. While I do not pretend to know all the implications, I am advised that the bill places a very heavy burden on so-called second story holding companies. Knowing that Transamerica is two steps removed from the operating bank affiliates, I am wondering whether the tax bill will require any realignment of your holding company structure.

With kindest personal regards, I am

Yours sincerely,

Lawrence Clayton

LC/fgr

13044

# Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

SAN FRANCISCO HEADQUARTERS

A. P. GIANNINI  
CHAIRMAN OF THE BOARD OF DIRECTORS

SAN FRANCISCO, CALIFORNIA

May 19, 1936

Mr. Lawrence Clayton,  
Assistant to the Chairman,  
Federal Reserve Board,  
Washington, D. C.

Dear Mr. Clayton:

Needless to say, I was very much pleased to learn that my recent radio talk on banking legislation met with your approval. It is too bad, as you say, that there are too many Nicholoses, Adamases and Zimmermans in the country who scream instead of speak, but I don't think that what they say these days carries much weight.

I am sorry that you were a bit concerned when you received my wire regarding my talk with Mr. A. O. Stewart. I assure you that we did not feel, in favoring the firm mentioned, that we were doing any favors for you or your friends. On further investigation of the matter, I find that only our Joint Stock Land Bank joined in the case but that our Bank has not done so because it has no taxes of that kind to pay, on account of its large holdings of Government and Municipal Bonds.

With reference to the feature in the pending tax bill which affects bank holding companies, Mr. Cameron Thomson, of the Northwest Bancorporation, has been in touch with us and at his suggestion we have communicated with Mr. E. G. Bennett, and all of us have been doing everything possible to get this objectionable feature eliminated from the bill. Information which has come to me from Washington within the last few days would indicate that we may be successful in doing so.

With sincerest best wishes to you and to your Chief, I am

Cordially yours,

